



OSD Housing Perspective

Joe Sikes
Director
Office of the Secretary of
Defense



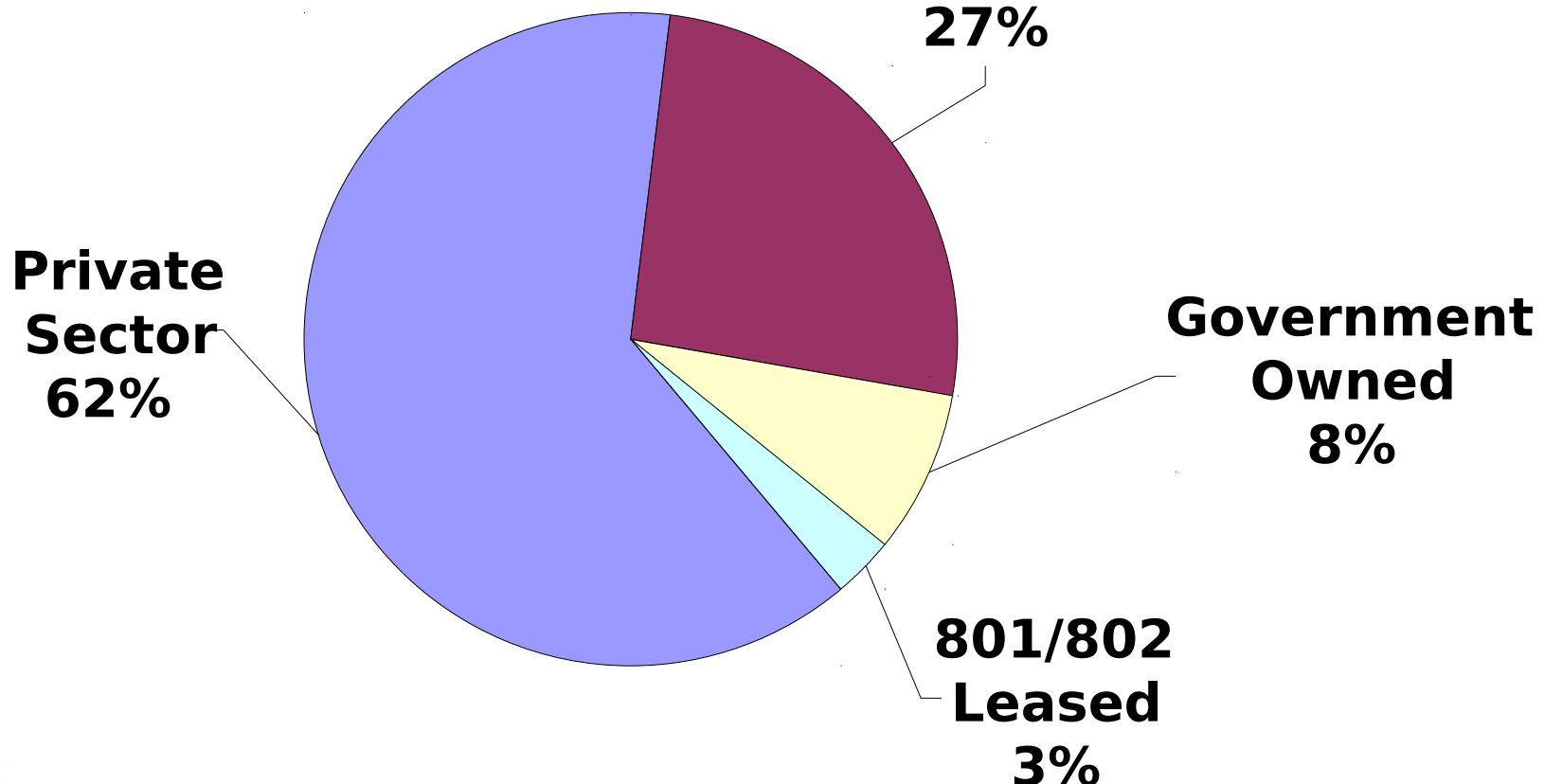
PHMA Atlanta
February 2010

Military Family Housing Program

- Improve Service Members' and their families quality of life by ensuring access to suitable, affordable housing
- Look to the local community *first* to provide housing for military families
- Ensure access to family housing where the market cannot
 - Privatization is the primary option
 - Government owned family housing (e.g. overseas)
 - Leased housing (includes Section 801)

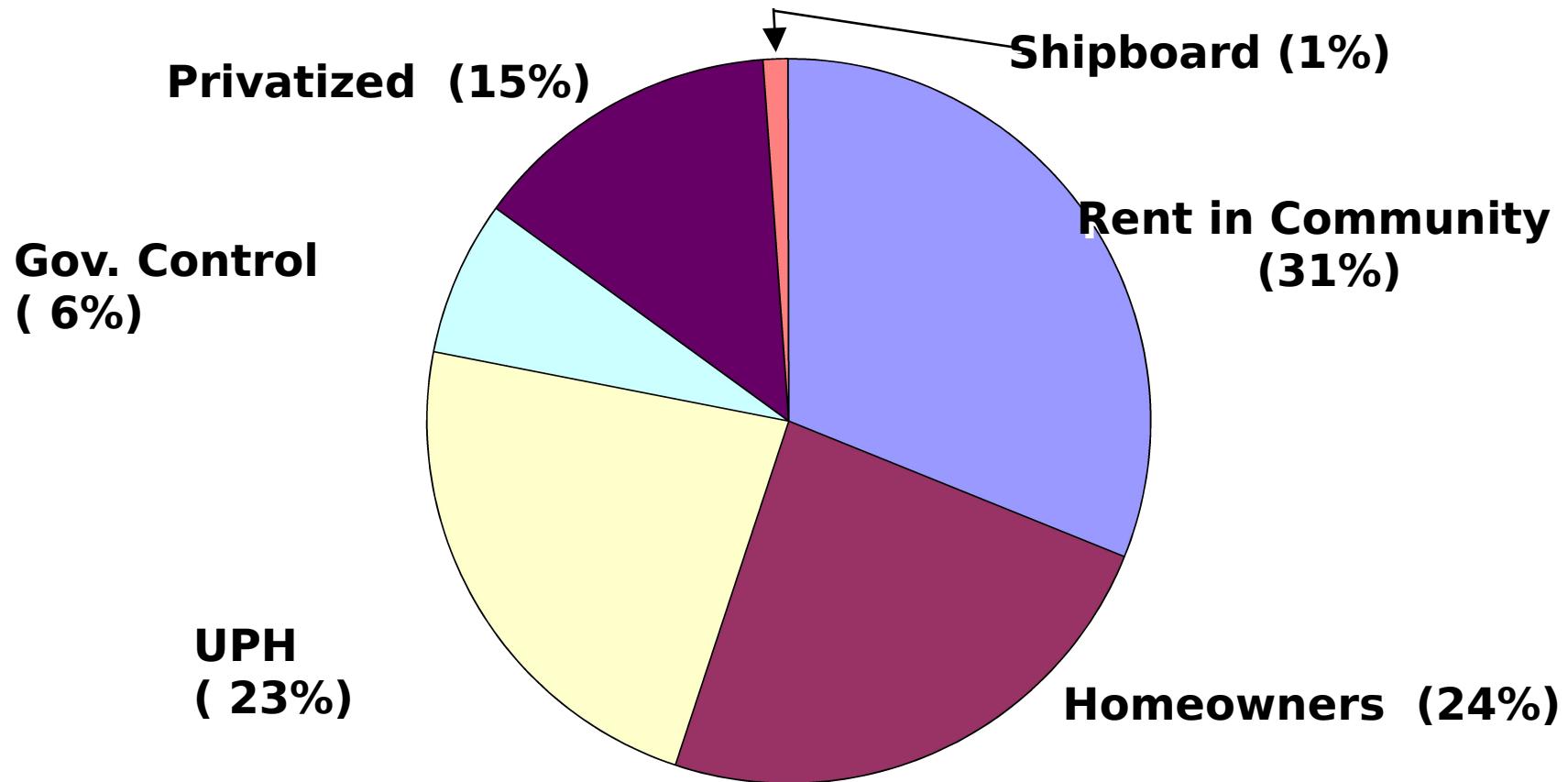


Where Military Families Are Living



89% of military personnel with families will receive BAH

Where Military Live (~1.5M)



69% of military personnel receive BAH



Privatization Status

- **Businesses vice Bases**
 - Force structure changes (BRAC/Global re-posture)
 - Restructuring due to occupancy issues
- **Recent projects**
 - Access debt capacity when market improves
 - Debt Service Reserve Guarantee
- **OMB Director's Memo (2005)**
 - Partnerships fully scored
 - Negotiating extension
- **Barracks/Lodging Privatization**



Privatization Business Entities

- Projects melding together
- As remaining projects complete - they typically fit into one of three classifications

✓ **Grouped:** Projects involving multiple locations which were conceived prior to solicitation/award -- but executed as a single project entity

- **Mid-Atlantic Regional** - Hampton Roads; USNA; NSWC Indian Head; NSWC Dahlgren; NSGA, Sugar Grove; NAS Patuxent River
- **AETC Group II** - Columbus; Goodfellow; Laughlin; Maxwell; Randolph; Vance AFBs
- **Carlisle Barracks/Picatinny Arsenal**

✓ **Integrated:** Installations integrated into an existing deal structure after award. Projects already owned by eligible entities subsequently merged or integrated into an existing ownership structure.

- **Falcon Group** - Patrick AFB, Hanscom AFB, Moody AFB, Little Rock AFB
- **Northeast Integrated** - Walter Reed/Ft. Detrick, Picatinny Arsenal/Carlisle Barracks
- **MCCS** - San Antonio (Chase Point TIC)



Project Structure

- **Long Term Health**
 - Capehart / Wherry
 - Section 801
- **Lease Terms**
 - BAH rents should standardize on tour length
 - Shorter terms at increased rent



How Much Do You Pay?

Off - Base



Bluff Ridge

- ✓ *Rent for 2 Bdr, 2 Bath is \$900*
- ± *Utility costs approximately \$200*
- ± *Short term lease (< 1 yr) \$75*
- ± *Total \$1175*
- ± *Security deposit - \$200*

Privatized

- ✓ *Rent = BAH*
- ✓ *avg. cost = \$1,083*
- ✓ *Utilities included*



Berkeley Manor

(e.g. An E5, located on Camp Lejeune, receives BAH for a 2 bedroom Townhouse)



Social Issues

- **Waterfall Issues**
 - Base Access
- **Single Parent Families**
 - Pregnant service members
- **Dog Policy**
 - American Kennel Club (AKC) response





DOG LATRINE



Energy/ Sustainability

- **Good for the planet**
- **Good for business**
- **Great examples in
Privatization**
 - We need to publicize success
 - Expand the model beyond
housing



Energy Savings Idea from PAL



- Holiday Inn's new bed warmers service uses special all-in-one sleeper suits and is provided to warm the beds of guests before they get under the covers.
- "A warm bed – approximately 20 to 24 degrees Celsius – is a good way to leave the heat off in the room."
- Holiday Inn spokeswoman Jane Bednall said the idea was "like having a giant hot water bottle in your bed".

“...a giant hot water bottle in your bed”.



Homeowners Assistance Program

- The American Recovery and Reinvestment Act of 2009 (Public Law 111-5) authorized expanding an existing program
 - Provided \$555 million
- Provides some financial relief for service member and civilian homeowners whose homes lose value both resulting from DOD action, and also from the current market downturn.
 - ✓ Wounded, injured, ill military/civilians and surviving spouses
 - ✓ BRAC 2005 affected military and civilians (without proof of causal relationship)
 - ✓ Military homeowners relocating due to permanent Change of Station (PCS) orders



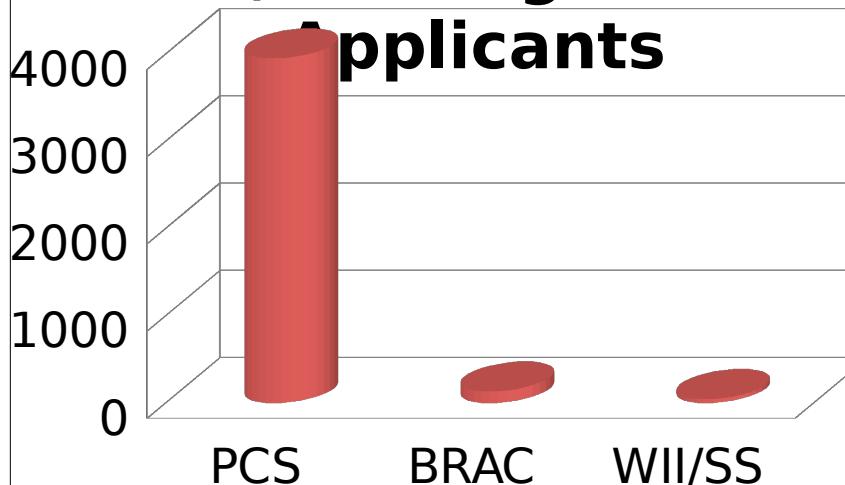


Homeowners Assistance Program



Applicants

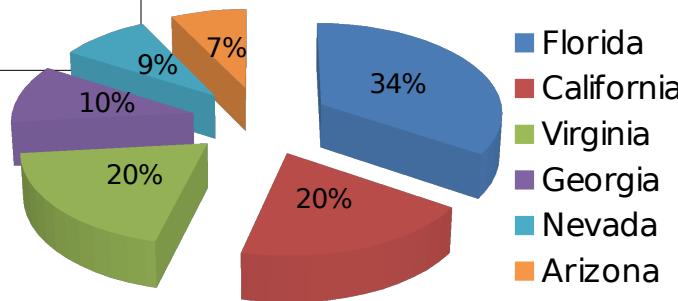
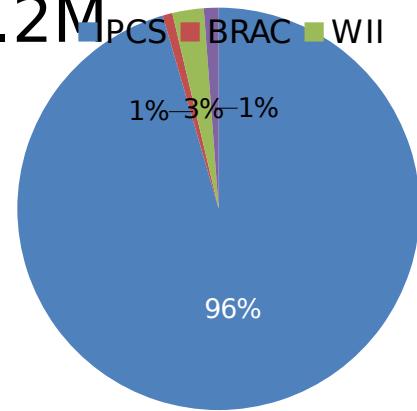
**4,130 Eligible
Applicants**



**States with largest
number of
applicants**

Benefits Paid

- 514 claims paid
- Total paid to date:
\$47.2M



Potpourri

- **Barracks**
- **Q Ratings**
- **Joint Basing**
- **Housing Market Analyses**
 - Overseas Policy





**Hey! Could we move into one of your houses?
They won't let us in the big white one anymore!**

We saw them at:

www.acq.osd.mil/housing

